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AMEMBASSY SEOUL

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C O N F I D E N T I A L SECTION 1 OF 4 HONG KONG 1130

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PFOR, CH
SUBJECT: CHINA'S FOREIGN AFFAIRS

THE FOLLOWING REPORT IS A JOINT CONGEN HONG KONG-USLO PEKING YEAR-END ASSESSMENT ON PRC FOREIGN AFFAIRS, WITH CONGEN HONG KONG HAVING PRODUCED AN INITIAL DRAFT AND USLO PEKING HAVING WORKED ON THE PAPER AND CONCURRED IN IT.

SUMMARY: IN EXTERNAL AFFAIRS DURING THE COMING YEAR, CHINA WILL CONTINUE TO ACCORD PRIORITY TO BUILDING UP ITS ECONOMIC STRENGTH AND COUNTERING SOVIET DIPLOMATIC AND POWER MOVES IN EURASIA. IN SUPPORT OF ITS CURRENT PRIORITY OBJECTIVES, THE PRC WILL PROBABLY SEEK TO DEVELOP FURTHER ITS POLITICAL AND ECONOMIC RELATIONS WITH THE U.S., JAPAN AND WESTERN EUROPE. ALTHOUGH SOVIET DETENTE EFFORTS WITH THE WEST AND WITH JAPAN WORRIED THE CHINESE, MOSCOW DID NOT MAKE AS MUCH PROGRESS IN THESE EFFORTS IN 1973 AS PEKING SEEMED TO HAVE FEARED POSSIBLE A YEAR AGO. BUT THE PICTURE FOR 1974 IS CLOUDED BY THE POSSIBILITY OF RESUMED ADVANCE IN U.S.-SOVIET DETENTE (PERHAPS EVEN AN ACCELERATION, DEPENDING ON THE NATURE OF THE ARAB-ISRAELI SETTLEMENT, IF ANY) AND BY POLITICAL AND ECONOMIC UNCERTAINTIES THAT MAY RENDER THE U.S., EUROPE AND JAPAN LESS COHESIVE AND EFFECTIVE COUNTERWEIGHTS TO SOVIET POWER. THE CHINESE ALSO FORESEE POSSIBLE NEW SOVIET POWER PLAYS IN WEST ASIA AND PAKISTAN BUT THEY APPEAR REASONABLY OPTIMISTIC ABOUT THE TREND IN INDIA AND SOUTHEAST ASIA. SPECIFICALLY IN REGARD TO INDOCHINA, THE PRC WILL CONTINUE DESIROUS OF INSULATING SINO-U.S. RELATIONS FROM THE CONFLICTS THERE WHILE
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MAINTAINING ITS BASIC IDENTIFICATION WITH THE REVOLUTIONARY SIDE. ELSEWHERE CHINA'S POLICY OF IDENTIFICATION WITH THE THIRD WORLD SHOULD CONTINUE TO RECEIVE IMPORTANT MATERIAL AND IDEOLOGICAL EMPHASIS. FINALLY, THE CHINESE LEADERSHIP SEEMS TO HAVE DEVELOPED A POLITICAL CONSENSUS BEHIND ITS FOREIGN POLICY, BASED IN PART ON A CAREFULLY BALANCED DEFINITION OF ATTITUDES TOWARD THE USSR (THE MAIN ENEMY) AND THE U.S. (PARTNER IN AN EXPEDIENT RELATIONSHIP). SERIOUS OBJECTIVE

REVERSES, OR A SUCCESSION CRISIS IN PEKING, COULD UPSET THIS AGREEMENT ON FOREIGN POLICY. HOWEVER, JUST AS THE PRESENT POLICIES PROBABLY OWE THEIR ACCEPTANCE TO THEIR SUCCESS RATHER THAN TO THE INTRINSIC PERSUASIVENESS OF THEIR ORTHODOX JUSTIFICATION, SO THEY MAY SURVIVE A SUCCESSION CRISIS ON THE BASIS OF THEIR PERCEIVED EFFECTIVENESS RATHER THAN THEIR IDENTIFICATION WITH MAO. IN SHORT, MAJOR SHIFTS IN CHINA'S FOREIGN POLICY WILL PROBABLY DEPEND MORE UPON EXTERNAL DEVELOPMENTS BEYOND THE PRC'S CONTROL THAN UPON CHANGES IN LEADERSHIP IN PEKING. END SUMMARY.

1. FEAR OF AND ANIMOSITY TOWARD THE USSR REMAINS THE PREOCCUPATION OF CHINA'S FOREIGN POLICY. IN 1973, CHINESE COMMENTARIES ADDRESSED TO BOTH DOMESTIC AND FOREIGN AUDIENCES INCREASINGLY STRESSED THE LONG-TERM STRATEGIC NATURE OF THE SOVIET MENACE--MOSCOW'S AMBITION TO BUILD AN ASCENDANT WORLD POSITION. AT THE SAME TIME, THE PRC APPEARED TO CALCULATE THAT ITS OWN NUCLEAR ADVANCES AND SUCCESSFUL DETENTE POLICIES (AND SOVIET TOLERANCE OF THESE GAINS) IMPLIED A SIGNIFICANT REDUCTION OF THE CHANCES OF DIRECT SOVIET AGGRESSION IN THE SHORT-TERM. IN 1974, PEKING PROBABLY EXPECTS TO GAIN FURTHER GROUND IN BUILDING A SECOND STRIKE CAPABILITY AS A DETERRENT TO NUCLEAR ATTACK (AND NATURALLY IT WILL CONTINUE TO OPPOSE DISARMAMENT MEASURES WHICH RESTRICT ITS ABILITY TO DO SO). DURING THIS PERIOD, CHINA WILL REMAIN SENSITIVE TO DIRECT SOVIET PRESSURES AND WILL CONTINUE TO STRENGTHEN ITS DEFENSES THROUGHOUT THE BORDER REGION. PEKING WILL ALSO BE MINDFUL OF MOSCOW'S RECENT ORCHESTRATION OF MONGOLIAN CHARGES OF CHINESE AGGRESSION AND OF INCREASED SOVIET PROPAGANDA EXPLOITATION OF TIBETAN AND UIGHUR GRIEVANCES.

2. WHILE POLEMICS SHARPENED DURING THE YEAR, BOTH PEKING AND MOSCOW SOUGHT TO LOOK REASONABLE ON THE BORDER QUESTION. CHINA'S ATTITUDE TOWARD THE DESIRABILITY OF A BORDER AGREEMENT WITH THE SOVIET UNION MAY HAVE HARDENED OVER THE PAST TWO YEARS. CONFIDENTIAL

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THIS MAY BE DUE IN PART TO PEKING'S HAVING USED THE BORDER SITUATION AS A RATIONALE FOR POSITIONS AND POLICIES WHOSE REAL ORIGINS ARE LESS TANGIBLE. THUS, A SETTLEMENT WOULD SEEM TO REFUTE CHINESE CHARGES OF SOVIET UNTRUSTWORTHINESS AND EXPANSIONISM, AND IT WOULD GIVE A BOOST ELSEWHERE TO DETENTE WITH THE USSR. IT MIGHT ALSO SEEM TO SOME ELEMENTS IN CHINA TO ELIMINATE THE MAIN NEED FOR DETENTE WITH THE U.S. AND JAPAN. SENSING THE PRC'S LACK OF ENTHUSIASM, THE SOVIETS MAY BELIEVE THAT IN THE COMING YEAR THEY CAN OFFER FURTHER CONCESSIONS WITHOUT DANGER
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CINCPAC FOR POLAD

3. UNITED STATES

IN THE MULTILATERAL CONTEXT OF WORLD POLITICS, THE CHINESE CONTINUE TO ACT ON THE ASSUMPTION THAT THE U.S. AND CHINA SHARED A COMMON INTEREST IN CONTAINING SOVIET WORLD POWER AMBITIONS. DURING THE YEAR, SINO-U.S. CONSULTATION AND COOPERATION ON CERTAIN INTERNATIONAL ISSUES INCREASED AND CHINESE LEADERS BECAME MORE EXPLICIT IN URGING EUROPEANS AND JAPANESE TO RETAIN THEIR SECURITY TIES WITH THE U.S. THE CHINESE ALSO WARNED ABOUT A "POWER VACUUM" IN SOUTHEAST ASIA SHOULD THE U.S. WITHDRAW IN DISORDER.

4. CHOU EN-LAI IN HIS REPORT TO THE TENTH PARTY CONGRESS STRESSED THAT THE LONG-TERM NATURE OF CONTENTION BETWEEN THE TWO SUPERPOWERS AND THE SUPERFICIAL NATURE OF THEIR DETENTE WERE PRIMARY POSTULATES OF CHINA'S WORLD VIEW. SUBSEQUENTLY PEKING INTERPRETED THE U.S. MILITARY ALERT IN OCTOBER AS A CONCRETE EXAMPLE OF THE CONTINUED WILL AND CAPABILITY OF THE U.S. TO CONTEND AGAINST THE SOVIETS. BUT WHILE THE RECENT MID-EAST CONFLICT INCREASED U.S.-SOVIET CONTENTION IN THE SHORT-TERM, PARADOXICALLY THE POSSIBILITY HAS ALSO ARISEN OF AN ARAB-ISRAELI PEACE WHICH WOULD ABORT U.S. -SOVIET DETENTE. MOREOVER, THE PICTURE FOR 1974 IS CLOUDED BY CHINESE UNCERTAINTY OVER THE CONSEQUENCES OF U.S. POLITICAL AND ECONOMIC TROUBLES FOR THE AMERICAN MILITARY POSTURE ABROAD, AND FOR U.S.-SOVIET RELATIONSM DESPITE CHOU'S PROFESSIONS TO THE CONTRARY, THE CHINESE LEADERS ARE PROBABLY DEEPLY WORRIED ABOUT FURTHER U.S. RETRANCHMENT ABROAD.

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5. EUROPE

UN 1973, CHINA DECLARED EUROPE THE "STRATEGIC KEY" AND THE PARADE OF WEST EUROPEAN LEADERS INTO PEKING WHICH BEGAN IN THE FALL OF 1972 CONTINUED THROUGHOUT THE YEAR. THE CHINESE INVEIGHED AGAINST "FALSE DETENTE" BUT IT WAS CLEAR THAT WHETHER FALSE OR REASONABLY GENUINE, A EUROPEAN DETENTE WOULD ON BALANCE BE BAD NEWS FOR CHINA, STRENGTHENING THE SOVIET HAND IN EITHER CASE. MOSCOW MADE LESS PROGRESS IN PUSHING DETENTE IN THIS AREA THAN PEKING HAD SEEMED TO FEAR WAS POSSIBLE ONE YEAR AGO. NEVERTHELESS WHILE CSCE AND MBFR MADE NO SUBSTANTIAL GAINS, FUTURE PROSPECTS FOR EUROPEAN DETENTE MUST ALSO APPEAR MURKY TO THE CHINESE.

6. JAPAN

CHINA WAS CLEARLY PLEASED WITH THE FAILURE OF THE TANAKA VISIT TO MOSCOW TO ACHIEVE ANY BREAKTHROUGH IN SOVIET-JAPANESE RELATIONS. THE APPARENT LOSS OF MOMENTUM IN THE SIBERIAN PROJECTS WAS PARTICULARLY WELCOME. IT WAS EVIDENT IN 1973 THAT CHINA WAS ATTACHING GREAT IMPORTANCE TO FURTHERING CLOSE AND CO-OPERATIVE RELATIONS WITH JAPAN--SPECIFICALLY WITH THE LIBERAL WING OF THE LDP. ALL INDICATIONS SUGGEST THAT IN THE COMING YEAR, THE PRC WILL CONTINUE TO GIVE HIGH PRIORITY TO ENHANCING JAPAN'S STAKE IN CHINA IN ORDER TO REDUCE JAPANESE INTEREST IN SOVIET ECONOMIC LINKS AND TO ENCOURAGE TOKYO TO CONTINUE TO PLAY A NON-INTERVENTIONIST AND LARGELY ECONOMIC ROLE IN ASIA.

7. PEKING, HOWEVER, IS APPREHENSIVE THAT THE ENERGY CRISIS, THE POSSIBILITY OF A SERIOUS ECONOMIC DOWNTURN IN JAPAN AND POSSIBLE LOSS OF CONFIDENCE IN THE U.S. DETERRENT COULD CAUSE JAPAN TO SWERVE DOWN THE WRONG ROAD IN 1974. CONSEQUENTLY IN THE NEXT TWELVE MONTHS WE COULD SEE CHINA PUBLICLY OPEN UP NEW AREAS OF ECONOMIC COOPERATION WITH JAPAN (E.G. IN THE FINANCIAL SPHERE AND PERHAPS IN WAYS WHICH WOULD SPEED UP AVAILABILITY OF OIL EXPORTS); AND SHOW CONTINUED-- AND POSSIBLY EVEN GREATER--PREFERENCE FOR THE PURCHASE OF JAPANESE PLANTS AND EQUIPMENT WHILE SPURRING AHEAD ITS OWN SALES OF LIGHT MANUFACTURES. PEKING RECENTLY MADE NEW CONCESSIONS ON THE CIVIL AIR ISSUE AND CLEARLY HOPES TO CONCLUDE AT AN
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EARLY DATE THE PENDING ECONOMIC AGREEMENTS AND TO MOVE ON TO NEGOTIATION OF A PEACE TREATY. SUCH MOVES WOULD NOT ONLY MAKE ECONOMIC SENSE BUT ALSO WOULD KEEP UP THE MOMENTUM OF RELATIONS, STRENGTHEN TANAKA'S HAND POLITICALLY, AND CONTRAST WITH THE STALEMATE IN SOVIET-JAPANESE RELATIONS.

8. ASIA

IN ASIA GENERALLY, THE PRC SEEMS TO BE OPERATING WITH MORE VERVE AND CONFIDENCE THAN ANYTIME SINCE BEFORE THE CULTURAL REVOLUTION. THE CHINESE FORESEE AN EXPANSION OF SOVIET TROUBLEMAKING IN WEST ASIA AND PAKISTAN IN 1974 BUT THEY APPEAR REASONABLY OPTIMISTIC ABOUT THE TREND IN INDIA. IN 1973, PEKING BEGAN TO FEAR SOVIET EFFORTS TO EXPLOIT THE BALUCHISTAN AND PUSH-TUNISTANI SEPARATIST MOVEMENTS IN PAKISTAN AND TO PREPARE FOR A POWER PLAY IN THE PERSIAN GULF. IN RESPONSE, THE PRC HAS STRONGLY BACKED IRAN'S DEFENSE POLICIES, IMPLICITLY ENDORSED CENTO AND CRITICIZED SOVIET INFLUENCE IN AFGHANISTAN AND IRAQ. FEAR OF A SOVIET DRIVE FOR A CORRIDOR OF CLIENT-STATES REACHING TO THE INDIAN OCEAN HAS ADDED IMPETUS TO THE DESIRE TO ATTENUATE THE POLITICAL-STRATEGIC BASIS OF SOVIET INFLUENCE IN NEW DELHI. THE CHINESE WERE CLEARLY PLEASED

BY INDIA'S PERFORMANCE DURING BREZHNEV'S RECENT VISIT--
IN PARTICULAR ITS RETICENCE ON "COLLECTIVE SECURITY"--AND
THEY VERY LIKELY HOPE FOR A MARKED IMPROVEMENT OF SINO-INDIAN
AND SINO-BANGLADESH RELATIONS AS SOON AS FINAL SETTLEMENT OF
THE PROBLEM OF THE FINAL 195 PAK POW'S IS REACHED.

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CINCPAC FOR POLAD

9. SOUTHEAST ASIA

THE PARIS PEACE AGREEMENT, THE ENDING OF THE BOMBING IN CAMBODIA AND THE AGREEMENT IN LAOS SIGNIFICANTLY LOWERED THE INTENSITY OF INDOCHINESE FACTORS AS AN IRRITANT IN SINO-U.S. RELATIONS. BY THE END OF THE YEAR IT WAS APPARENT THAT THE PRC WOULD TRY VERY HARD TO LIMIT THE ADVERSE IMPLICATIONS OF THE CONTINUING CONFLICTS IN INDOCHINA FOR BOTH ITS RELATIONS WITH THE U.S. AND THE U.S. POLITICAL-MILITARY POSITION ELSEWHERE IN ASIA. THE CHINESE ALSO WILL VERY LIKELY REMAIN FLEXIBLE ON THE QUESTION OF A NEGOTIATED SETTLEMENT IN CAMBODIA AS LONG AS IT APPEARS SUCH A SETTLEMENT WOULD BE FAVORABLE TO CHINESE INFLUENCE. MEANWHILE, DESPITE THEIR MUTUAL STAKE IN MAINTAINING GOOD RELATIONS, CRACKS IN THE PEKING-HANOI ALLIANCE WERE BECOMING MORE VISIBLE. CHINA'S DECISIVE USE OF FORCE IN THE PARACELS INDICATED NOT ONLY ITS GREATER MANEUVERABILITY IN THIS PARTICULAR SITUATION, BUT ALSO ITS INTENTION TO PURSUE ITS OWN INTERESTS AT THE COST OF IRRITATING THE DRV.

10. IN THE REST OF SOUTHEAST ASIA, PEKING IN THE PAST YEAR, ATTEMPTED TO IMPROVE ITS DIPLOMATIC PROSPECTS BY DISAVOWING

AND CRITICIZING CHAUVINISM AMONG LOCAL OVERSEAS CHINESE COMMUNITIES. THE PRC PROBABLY EXPECTS IMPORTANT BREAKTHROUGHS IN ITS TIES WITH SEVERAL GOVERNMENTS IN THE AREA. AS IN THE PAST PEKING'S POLICIES TOWARD PARTICULAR COUNTRIES WILL BE AN INDIVIDUAL MIX OF STATE-TO-STATE PRAGMATISM AND SUPPORT FOR INSURGENT MOVEMENTS. HOWEVER, THE
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CHINESE WHILE CONTINUING TO PROVIDE CLANDESTINE SUPPORT TO INSURGENCIES IN BURMA AND THAILAND WILL VERY LIKELY GIVE PRIORITY TO RETAINING OR PROMOTING INFLUENCE WITH THE GOVERNMENTS OF BOTH COUNTRIES.

11. TAIWAN

IN 1973, PEKING MADE STRONG EFFORTS TO ISOLATE TAIWAN INTERNATIONALLY WHILE FURTHER DEVELOPING A PEACEFUL CONCILIATION LINE TOWARD BOTH TAIWANESE AND MAINLANDERS ON THE ISLAND. DESPITE PROBABLY INCREASING APPREHENSION THAT TIME IS NOT NECESSARILY ON THE PRC'S SIDE, THIS TWO-PRONGED APPROACH VERY LIKELY WILL CONTINUE DURING THE COMING YEAR. THOUGH UNHAPPY OVER THE SUSTAINED STRENGTH AND STABILITY OF TAIWAN'S ECONOMY AND SOCIO-POLITICAL STRUCTURE, THERE IS LITTLE THE PRC CAN DO ABOUT IT. THE FACT THAT THE GRC MIGHT NOW, IN THEORY AT LEAST, HAVE A "SOVIET OPTION" TO EXERCISE IF PRESSED TO THE WALL MAY FURTHER INHIBIT THE PRC FROM ATTEMPTS TO FORCE THE PACE EITHER VIS-A-VIS THE U.S. OR TAIWAN.

12. THIRD WORLD

ALTHOUGH CHINA'S SECURITY AND ITS INTERNATIONAL STRATEGY PIVOTED ON ITS RELATIONS WITH THE SUPERPOWERS AND WITH THE INDUSTRIALIZED COUNTRIES OF THE "SECOND INTERMEDIATE ZONE," ITS CHAMPIONSHIP OF THE THIRD WORLD CONTINUED TO BE AN IMPORTANT ELEMENT IN ITS FOREIGN POLICY. IN 1973, THE PRC FREQUENTLY REITERATED ITS MEMBERSHIP IN THE THIRD WORLD AND CATEGORIZED ITSELF AS A "DEVELOPING SOCIALIST" COUNTRY, YET IT AGAIN COMMITTED A TOTAL FIGURE OF ECONOMIC AID TO NON-COMMUNIST COUNTRIES, WHICH COMPARED FAVORABLY TO THE AMOUNT OFFERED BY THE SOVIET UNION. DESPITE DIFFERENCES WITH THE THIRD WORLD IN SUCH FIELDS AS DISARMAMENT AND UN PEACEKEEPING OPERATIONS, THE PRC HAS SUCCEEDED IN ESTABLISHING ITS IDENTITY AMONG A WIDE GROUP--PARTICULARLY THE AFRICANS AND ARABS--AS THE POLITICAL PATRON OF THE THIRD WORLD AMONG THE POWERS. THE WIDE ACCEPTANCE AT THE NON-ALIGNED CONFERENCE OF THE CONCEPT OF THE IMPERIALISM OF THE TWO SUPERPOWERS AND OF THE RICH-ALIGNED."

13. A NOTABLE TREND IN THIRD WORLD PROPAGANDA WAS PEKING'S
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INCREASED CONCENTRATION ON THE (#) NATURE
OF THE SOVIET IMPERIALIST THREAT EVEN IN SUCH AREAS AS LATIN
AMERICA AND THE MID-EAST WHERE THE U.S. WOULD SEEM TO BE THE

NATURAL SUPER TARGET. IN REGARD TO THE MID-EAST ISSUE IN GENERAL AND THE OIL CRISIS IN PARTICULAR THE CHINESE CONCERN AGAIN HAS BEEN TO COUNTER SOVIET POWER GAINS AND TO KEEP SUPER-POWER CONTENTION ALIVE. ALTHOUGH THE CHINESE PROBABLY SEE POLITICAL AND STRATEGIC LOSSES FOR THEMSELVES IN THE EVENT OF AN ARAB-ISRAELI PEACE SETTLEMENT, THEY WILL VERY LIKELY CONTINUE TO FOLLOW A FLEXIBLE LINE, AVOIDING DIRECT ACTION TO BLOCK PEACE MOVES WHILE DISASSOCIATING THEMSELVES FROM SOLUTIONS WHICH ARE NOT ACCEPTABLE TO THE ARAB MILITANTS.

14. MARXIST WORLD

IN THE COMMUNIST WORLD MOVEMENT THE CHINESE ALSO REMAIN ON THE DEFENSIVE AND HAVE EVEN GONE SO FAR AS RECENTLY TO PROCLAIM THAT THE SOCIALIST CAMP NO LONGER EXISTS. THE VAGUE HOPE OF TWO YEARS AGO FOR THE EMERGENCE OF A NATIONALISTIC BALKAN BLOC HAS COME TO NAUGHT AS THE USSR IMPROVED RELATIONS WITH ROMANIA AND YUGOSLAVIA AND MADE GESTURES TOWARD ALBANIA. LIKEWISE CHINA'S NON-POLEMICAL APPROACH TO THE EASTERN EUROPE SATELLITES AND TO MONGOLIA HAVE NOT BEEN RECIPROCATED. PEKING'S RAPPROCHEMENT WITH THE ORTHODOX SPANISH PARTY ALSO HAS NOT BEEN REPEATED ELSEWHERE. THE NORTH KOREANS ARE LEANING SLIGHTLY TOWARDS PEKING BUT THE NORTH VIETNAMESE IN IDEOLOGICAL MATTERS ARE CONSIDERABLY CLOSER TO THE SOVIETS. NEVERTHELESS PEKING IS PROBABLY CONFIDENT THAT THE MOSCOW COMMUNIST CONFERENCE APPARENTLY PLANNED FOR 1974 OR 1975 (WILL NOT BE ABLE SIGNIFICANTLY TO WORSEN ITS POSITION.

NOTE BY OC/T: (#) OMISSION. CORRECTION TO FOLLOW.

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CINCPAC FOR POLAD

15. ECONOMICS

IN RESPONSE TO AGRICULTURAL DIFFICULTIES AND SIGNS OF LAGGING ECONOMIC GROWTH, CHINA EMBARKED IN 1972 ON AN ACTIVE PROGRAM OF TRADE EXPANSION AND OF PURCHASES OF FOREIGN TECHNOLOGY. THE YEAR WITNESSED A MAJOR SURGE IN FOREIGN TRADE (PROBABLY ABOUT 38 PERCENT); CONTRACTS WERE SIGNED FOR THE PURCHASE OF MORE THAN DOLLARS 1.2 BILLION WORTH OF WHOLE PLANTS FROM

ABROAD; AGRICULTURAL IMPORTS SHOT UP ALSO TO DOLLARS 1.2 BILLION; MORE ATTENTION WAS GIVEN TO THE EXPANSION OF EXPORT EARNINGS; AND THERE WAS INCREASED INTEREST IN DISGUISED FOREIGN CREDITS (MOSTLY DEFERRED PAYMENTS, SO FAR). THESE POLICIES, THOUGH VULNERABLE TO ATTACK BY IDEOLOGUES, ARE LIKELY TO CONTINUE IN 1974, AND SHOULD RESULT IN A FURTHER EXPANSION OF ECONOMIC RELATIONS WITH JAPAN, THE U.S., AND OTHER INDUSTRIALIZED COUNTRIES. INCREASED PRC PARTICIPATION IN INTERNATIONAL ECONOMIC (AND, EVEN POSSIBLY, FINANCIAL) ORGANIZATIONS ALSO SEEMS LIKELY.

16. INTERNAL FACTOR

THE POLICIES OF DETENTE WITH THE U.S. AND CONTINUED VIGILANCE AGAINST THE MAIN STRATEGIC ENEMY, THE USSR, WERE REAFFIRMED AT THE TENTH PARTY CONGRESS AND RATIONALIZED IN ORTHODOX ANTI-IMPERIALIST TERMS. THE BREADTH OF THE CONSENSUS BEHIND THE POLICIES WAS REFLECTED IN PUBLIC SUPPORT EVIDENCED DURING THE YEAR BY THE SHANGHAI LEFTIST GROUP IN THE LEADERSHIP (E.G., BY CHIANG CHING'S APPEARANCES WITH U.S. EXCHANGE GROUPS AND BY ARTICLES IN A NEW SHANGHAI IDEOLOGICAL ORGAN). NEVER-CONFIDENTIAL

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THELESS, WHILE PRESENTLY MUTED, IMPORTANT DIVERGENCIES ON FOREIGN POLICY ALMOST CERTAINLY CONTINUE. DESPITE ACCEPTANCE OF THE PRINCIPLE OF EXPEDIENT COOPERATION WITH THE U.S., THERE HAS BEEN CARPING AT THE IDEOLOGICAL COST AND INTERNAL SECURITY PROBLEMS INVOLVED (E.G., THE FLOOD OF BOURGEOISE VISITORS). WITHIN THE CONSENSUS THE LEFTISTS HAVE ALSO SEEMED TO PUT SOMEWHAT MORE STRESS ON THE LONG-TERM INHERENT EVIL OF "U.S. IMPERIALISM." MOREOVER, BEGINNING NEAR THE END OF THE YEAR, FLICKERING OF A MORE LEFTIST-STYLE DIPLOMACY WERE SEEN IN SEVERAL INCIDENTS (A MASS RALLY IN SUPPORT OF THE KOREAN STUDENTS, A BROADENING OF THE "WORLD UPHEAVAL" WELTANSCHAUUNG, AND THE ANTAGONISTIC HANDLING OF THE SOVIET ESPIONAGE CASE).

17. WE SUSPECT, HOWEVER, THAT THE CURRENT AGREEMENT ON FOREIGN POLICY DEPENDS FUNDAMENTALLY ON THE INTRINSIC APPEAL OF THE POLICIES, RATHER THAN THE OTHER WAY AROUND. THE CONSENSUS WILL PROBABLY SURVIVE ALL SORTS OF SNIPING UNLESS THE PRESENT LINE ENCOUNTERS SERIOUS SETBACKS SUCH AS A MAJOR ADVANCE IN U.S.-SOVIET DETENTE WHICH WOULD SEEM TO UPSET THE SYMMETRY OF THE TRIANGULAR RELATIONSHIP; FLAGRANTLY PRO-SOVIET OR PRO-TAIWAN ACTIONS BY JAPAN; OR UNMISTAKABLE MOVEMENT BY TAIWAN TOWARD INDEPENDENCE ENDORSED EITHER BY THE U.S. OR JAPAN.

18. FURTHERMORE, THE FACT THAT THE PRESENT "REVOLUTIONARY DIPLOMATIC LINE" IS CLEARLY MAO'S POLICY MEANS THAT NO ONE IN PEKING AT PRESENT WOULD PROBABLY DARE TO SUGGEST CONFRONTATION WITH THE U.S., CONCILIATION WITH THE SOVIETS, LESS CHUMMINESS

WITH JAPAN, OR A PRISTINE GO-IT-ALONE ALTERNATIVE. BUT IT ALSO RAISES THE POSSIBILITY THAT INTERNATIONAL POLICY COULD BECOME A POLITICAL ISSUE IN A SUCCESSION STRUGGLE. THIS POSSIBILITY IS ALSO IMPLICIT IN THE FACT THAT IN THE PAST, CHINA'S DOMESTIC POLITICS HAS OFTEN AFFECTED ITS FOREIGN POLICIES. THE CULTURAL REVOLUTION, OF COURSE, HAD A MAJOR IMPACT ON CHINA'S INTERNATIONAL BEHAVIOR AND MORE RECENTLY THE LATE NUMBER TWO, LIN PIAO, HAS BEEN ACCUSED OF FAVORING DETENTE WITH THE SOVIETS RATHER THAN THE U.S. CHOU HAS ALSO CONTINUED TO EMPHASIZE THE DANGER OF SOVIET MEDDLING IN CHINA'S DOMESTIC POLITICS, IMPLYING THE EXISTANCE OF FORCES WITHIN CHINA WHICH MIGHT BE SUSCEPTIBLE TO MOSCOW'S OVERTURES. HOWEVER, JUST AS (WE SUGGEST) CURRENT POLICIES OWE THEIR ACCEPTANCE TO THEIR SUCCESS RATHER THAN TO THE INTRINSIC PERSUASIVENESS OF THEIR ORTHODOX
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JUSTIFICATION, SO THEY MAY SURVIVE THE SUCCESSION ON THE BASIS OF THEIR EFFECTIVENESS IN TERMS OF CHINA'S NATIONAL INTEREST, RATHER THAN THEIR IDENTIFICATION WITH MAO. IN SHORT, MAJOR SHIFTS IN CHINA'S FOREIGN POLICY WILL PROBABLY DEPEND MORE UPON EXTERNAL DEVELOPMENTS BEYOND THE PRC'S CONTROL THAN UPON CHANGES IN LEADERSHIP IN PEKING.
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